State of Missouri
Office of Secretary of State

Case No. AP-05-22

IN THE MATTER OF:

SKAMP INVESTMENTS LLC;
DONALD SCHNURE;
BROWN ASSOCIATES INTERNATIONAL;
INTERNATIONAL FINANCIAL AND
INVESTMENT ADVISORS; and
TED BROWN a/k/a T. R. BROWN,

Respondents.

Serve: Skamp Investments LLC; and Donald Schnure at:
Librack & Rothman, P.C.
Center 40
1600 South Brentwood Blvd.
St. Louis, Missouri 63144

Serve: Brown Associates International; International Financial and Investment Advisors, and
Ted Brown at:
PO Box 612
Scottsdale, Arizona 85252-0612

ORDER TO CEASE AND DESIST AND ORDER TO SHOW CAUSE WHY CIVIL PENALTIES AND COSTS SHOULD NOT BE IMPOSED

CASE SUMMARY: Respondents Skamp Investments LLC and Donald Schnure offered and sold advance fee loans to over 80 investors. These Respondents claimed that they could get million dollar bank loans that did not have to be repaid for an "expense retainer" that was to be paid by the investor. Neither the advance fee loans nor these Respondents were registered with the Securities Division. Additionally, these Respondents failed to tell investors about the risks of the investments, the background and history of the principals, or the number of previous investors who had not received loans. Respondents Ted Brown, Brown Associates International and International Financial and Investment Advisors offered a high-yield investment program that claimed to have no risk and to pay a 90% return per week. These Respondents misrepresented the risks of the investment and failed to disclose the number of previous participants that had received these returns.

On the 11th day of August 2005, Mary Hosmer, Assistant Commissioner of Securities and the Enforcement Section, submitted a petition for a cease and desist order. After reviewing the petition, the Commissioner issues the following findings of fact, conclusions of law and order:

FINDINGS OF FACT

A. The Respondents

1. Skamp Investments LLC ("Skamp") is a limited liability company that purportedly assists businesses in raising capital and has an address of 1438 Willow Brook Cove, St. Louis, Missouri 63146.

2. Donald Schnure ("Schnure") is the manager of Skamp and had an address of 1438 Willow Brook Cove, St. Louis, Missouri 63146.

3. Brown Associates International ("Brown Associates") is an entity that purports to act as a liaison assisting businesses with finding capital and has a business address of PO Box 612, Scottsdale, Arizona 85252-0612.

4. International Financial and Investment Advisors ("International Financial") is an entity that purports to act as a provider of information for businesses in need of capital or loans and has a business address of PO Box 612, Scottsdale, Arizona 85252-0612.

5. Ted Brown a/k/a T. R. Brown ("Brown") purportedly is the president of Brown Associates and acts as a referral agent between Brown Associates, International Financial, Schnure, and Skamp. Brown had a business address of PO Box 612, Scottsdale, Arizona 85252-0612.

6. As used in this Cease and Desist Order, the term "Advance Fee Respondents" refers to Skamp, and Schnure and the term "High-Yield Respondents" refers to Brown Associates, International Financial, and Brown.

B. The Offering Documents for the Advance Fee Loan

7. In early spring 2004, Brown contacted a Missouri resident ("MR") about a loan program. Brown forwarded MR's name to Schnure.

8. On May 14, 2004, Schnure and Skamp sent MR paperwork explaining the loan program as follows:

> **INTERNATIONAL LOAN CONSORTIUM**
> **PROVIDES BOTH**
> **FINANCING & COLLATORAL**
>
> If you have a project that needs financing, we can help! We are representatives of a very large, international, commercial banking firm, that will arrange both the loan requested by a client and the collateral he needs to guarantee repayment of the loan..[sic] Collateral can be secured in the form of a Letter of Credit from a major world bank..[sic] To do that they have assembled a Consortium of over (300) [sic] international lending and collateral sources. Funding is available for almost any business need, including Start-Ups, in all 50 States of the USA, all countries in North and South America, Australia and New Zealand, all

European countries and Asia….**An Expense Retainer in the amount of $2,500 is required to cover the time and expenses required to co-ordinate the procedures between the Client, the Guarantor (if needed) and the Consortium. *NOTE* *This Retainer is REFUNDABLE, in full, if the Consortium is unable to provide the financing and the Collateral that have been requested by the client!*** [Emphasis in original]

HOW DOES THIS PROGRAM WORK?

The cost of the Letter of Credit can be included in the total loan amount, and paid at closing from the gross proceeds. This is done by **over borrowing** enough money to cover the loan needed by the client **and the** cost of the Letter of Credit. At maturity, usually (2) [sic] years, the Letter of Credit will mature for an amount that is greater than the total loan paid out by the lender, and will provide enough cash to repay the entire loan and make the lender a profit----and, since the proceeds from the Letter of Credit are going to repay the loan, it means that the client has nothing to repay.

NOTE: **In order for this program to work correctly for both the Client and the lender, the client will have to apply for a loan amount that is (3) [sic] times larger than he actually needs. This additional money will be used to pay for the Letter of Credit and give the lender a profit. (See Example below.)**

Assume that the client needs $10,000,000. This means that he will have to apply for a loan that is (3) [sic] times larger than needed, or $30,000,000.00. In order to insure that the loan will be repaid in full, the lender will also need to purchase a Letter of Credit in the full amount of the loan or $30,000,000.00. The lender, because of their financial connections, will be able to buy a Letter of Credit at a discount of about ($.50) [sic] on the dollar, which means that they will pay about $15,000,000.00 for the $30,000,000.00 Letter of Credit. Then at closing, the lender will distribute the funds as follows:

$15,000,000 Cost of the Letter of Credit
$10,000,000 Paid to Client (Which is what he wanted in the first place)
$25,000,000 TOTAL PAID OUT BY LENDER

At maturity, the Letter of Credit will mature and pay the lender the Face amount of the Letter of Credit ($30,000,000.00) plus the interest (about 6%). Since the lender only invested a total of $25,000,000.00 (see example) it means he will have a total profit on his investment of $5,000,000.00, plus interest of around 6% of the gross amount. This represents a total return on his investment of $6,800,000.00 or just under (23%). [Emphasis and capitalization are as they appear in original.]

9. On May 16, 2004, Schnure sent MR a refund guarantee dated May 14, 2004, and signed by Schnure on behalf of Skamp that stated, in part, the following:

In consideration of your payment of a retainer in the amount of $2,500.00, to cover the time and expenses that will be incurred by SKAMP INVESTMENTS, LLC, when attempting to secure a Bank Guarantee, provide due diligence, and co-ordinate procedures between the Trust and the guarantor, SKAMP INVESTMENTS, LLC hereby declares that this retainer shall be refunded in full, upon request, if we are unable to secure an acceptable Bank Guarantee for you within sixty (60) banking days from the date on this agreement. [Emphasis and capitalization are as they appear in original]

C. The Offering Documents for the High-Yield Investment Program

10. On May 26, 2004, Brown faxed MR information on an additional investment program. The letter, on Brown Associates and International Financial stationery, stated, among other things, the following: "Here is the investment program that we talked about. As you see the money stays in a blocked account in your own bank for duration of the 40 week term." Brown signed the letter.

11. This May 26, 2004 investment information stated, in part, the following:

$100,000 MINIMUM INVESTMENT PRIVATE PLACEMENT PROGRAM
Provides Bank Secure Asset Enhancement

This program is available to Qualified Investors, Accredited Individuals, Project Principals, Corporations, Venture Capitalists, Pension Funds, Trusts, Not-for-profit Organizations, Investment Managers, Brokerage firms, Small Business Owners, etc.

The Private Placement Program referred to herein is provided by an established Trading Group and facilitated through a recognized Bank. The following advantages and benefits are available to participants.

1. **TERM OF PROGRAM**-----40 Weeks.
2. **MINIMUM INVESTMENT**-----$100,000 (higher amounts accepted)
3. **RISK FACTOR------NONE!** Investor can leave (his/her/their) funds in a blocked account in their **Own Bank and retain Sole Signatory control over that account.**
4. Investor will be able to deal directly with Trading Group once the initial paper work and agreements are completed.
5. To get started, all that is needed is a Proof of Funds. (Copy of a Bank Statement or a letter signed by a Bank officer on Bank Letterhead. [sic]
6. **FEES----**Trading Group will charge (5%) [sic] of Trading profits each week.

Intermediaries will charge (5%) [sic] of Trading profits each week. *Intermediaries must collect their fees directly from Client each week as profits are received. This will require a Fee Agreement and an

Irrevocable pay Order.

7. **PROFITS**-----Gross (100% per week) [sic] Net (after fees) [sic]-----(90% per week) [sic]
    a. Payments will be made weekly or Monthly depending on agreement with Trading group.

    EXAMPLE: Minimum Investment $100,000

    a. 100,000 [sic] @ net return of 90% per week=$90,000 profit per week
    b. $90,000 profit per week for (40) weeks = $3,600,000.00 profit over (40) [sic] weeks. [Emphasis and the capitalization of letters are as they appear in the original.]

12. MR was not supplied with material information about the offer, including but not limited to:

    a. The name, address and background of the bank facilitating the transaction;

    b. The name, address and background of the "Trading Group";

    c. Specifically how the "Trading Group" would generate profits of 90% per week; and

    d. The name, address and telephone numbers of other investors who had received profits of 90% per week.

13. MR did not participate in the May 26, 2004 investment program offered by the High-Yield Respondents.

D. Investors in the Advance Fee Loan Program

14. On June 9, 2004, MR sent Schnure a check for $1,200 made payable to "Skamp Investments, LLC" and sent paperwork to Schnure to participate in the original loan program offer. Schnure and MR agreed upon the $1,200 amount with the balance to be submitted to Schnure when the loan MR requested came through.

15. On June 9, 2004, MR also sent Schnure the application for a loan requesting $380,000,000.

16. In September 2004, Schnure sent MR a return of the $1,200 deposit. MR never received the requested loan.

17. In September 2004, a friend of a New Jersey resident ("NR") told NR about Skamp Investments.

18. In August 2004, NR phoned Schnure. Schnure told NR, among other things, the following:

    a. NR could apply for a business loan;

b. NR would have to complete paper work for Skamp Investments, which Schnure would fax to NR;

c. NR would have to send by Federal Express $1,500 as a retainer to Schnure for arranging the loan for NR; and

d. NR would receive a refund of the $1,500 if the loan did not come through in 60 days.

19. On August 30, 2004, Schnure sent NR a letter by facsimile signed by Schnure that stated, among other things, that:

> …[P]lease find the forms that are needed to start the process we discussed. Please sign each form as indicated, make copies for our files and return with a check for the retainer in the amount of $1,500 payable by overnight courier to: Skamp Investments LLC at the address shown above.

20. On August 30, 2004, Schnure also sent NR the following: a *Confidentiality and Non-Disclosure Agreement*; a *Guaranteed Retainer and Referral Fee Agreement*; and an *Agreement of Understanding*. The *Agreement of Understanding* stated in part:

> It is hereby jointly understood that the information provided herein has been independently prepared and presented in response to your request and is not to be construed as a solicitation for investment funds or sale of securities for invest, nor is this a complete report or form of contract. Both parties agree and understand that they are not licensed to sell securities and that, if completed, this contemplated opportunity is strictly one of private placement and is no way relying upon existing regulations relating to the Unites States Securities Act of 1933, as amended, or related regulations and does not involve the sale of securities…

21. On August 30, 2004, NR sent Schnure signed copies of the above-mentioned documents and a cashier's check in the amount of $1,500 made payable to Skamp Investments LLC.

22. To date, NR has not received the requested loan or NR's retainer fee.

23. Neither MR nor NR were provided information about:

a. The applicants who paid the retainer fee but had not received loans through the Advance Fee Respondents;

b. The issuer, including the following:

i. The financial condition of the issuer;

ii. Specific information about how the proposed loan funds were to be generated;

iii. The names, addresses, and contact information for the "Consortium of over (300) [sic] international lending and collateral sources…"

iv. Background information on the directors, officers or other persons having similar status or performing similar functions, including but not limited to, their:

1. Names;

2. Principal occupation for the previous five years;

3. Ownership or interest held by each person;

4. Remuneration paid to such persons during the previous twelve months and estimated to be paid during the next twelve months, directly or indirectly;

5. The risks involved with the investment; and

6. The issuer's background and/or history, including but not limited to any regulatory action issued against the issuer or its officers, directors, or principals.

E. The Division's Unanswered Questions

24. A check of the records maintained by the Missouri Commissioner of Securities confirmed no registration, granted exemption or notice filing indicating status as a federal covered security for any of the securities offered by the Advance Fee Respondents or the High Yield Respondents in the State of Missouri.

25. A check of the records maintained by the Commissioner confirmed no registration for any of the Respondents to offer or sell securities in the State of Missouri.

26. A check of the records maintained by the Commissioner confirmed that on February 28, 1979, the former Commissioner of Securities issued a Cease and Desist Order prohibiting Schnure from selling securities (evidences of indebtedness) in the form of "guaranteed savings funds". This information was not disclosed to MR or NR.

27. On July 19, 2004, the Securities Division sent a letter of inquiry to the Advance Fee Respondents that requested a claim of exemption from registration or exception from definition upon which these Respondents relied in offering unregistered securities or any claim that the securities were federal covered securities. The letter also requested additional information about the offers to Missouri residents and advised these Respondents that failure to respond within a reasonable time as set by the Commissioner constituted proper grounds for the entry of an order suspending the right to offer and sell securities in the State of Missouri.

28. On August 6, 2004, the Division received a response from Skamp and Schnure that stated, in part, the following:

> At no time did I knowingly offer or solicit a security or investment contract. It is my belief that I was offering a business loan program with collateral to be provided by the lender.

> The loan program was presented as follows: A client would request that I try to arrange a business loan for him. However, since a lender would require collateral that the client did not have or could not afford the client would also request that I attempt to locate a Bank guarantee that the lender could purchase to secure the loan. The cost of the guarantee would be added to the loan amount and paid for at closing from the total loan proceeds. The lender can accomplish this by allowing the client to "over borrow" enough money to cover the loan needed by the client and the cost of the Bank Guarantee. At maturity (usually 1-2 years), the guarantee that was purchased by the lender at a discount will mature and pay the lender the contracted face amount. This amount will be greater than the total amount paid out by the lender for the loan and the guarantee, and will provide enough money to repay the entire loan and make a profit for the lender. Please note that the lender is the one who purchases the Bank Guarantee. He is also the beneficiary at maturity.

29. The August 6, 2004 response to the Division also included lists of applicants who had been referred to Schnure by an intermediary in Florida. Schnure stated that he sent cancellation letters to some applicants and that some of these applications were pending. A review of bank records indicates that Schnure did not include the names of all loan applicants in his response to the Division.

30. On August 23, 2004, the Securities Division sent a letter of inquiry to High-Yield Respondents that requested a claim of exemption from registration or exception from definition upon which these Respondents relied in offering unregistered securities or any claim that the securities were federal covered securities. The letter also requested additional information about the offers to Missouri residents and advised these Respondents that failure to respond within a reasonable time as set by the Commissioner constituted proper grounds for the entry of an order suspending the right to offer and sell securities in the State of Missouri.

31. On September 7, 2004, the Division received Brown's resume and response from Brown that stated, in part, the following:

    a. "I resent the fact that you state that I have offered or sold securities in your state. With all due respect I would suggest you research just what types of investments, or other financial product constitutes a securiie." [sic]

    b. "I can state to you without equivocation, that I have never offered or sold any type of security investment in your state or any other state for that matter."

    c. "What we do is make available project loans, and loan guarantees for a few select clients here and offshore. These are not securities investment, despite what you have been told, or what you have assumed to be the case."

    d. "I'm not responding to your standard form letter questions, as they have no bearing on the primary questions that has been answered."

32. Bank records for Skamp Investments, LLC indicate that Skamp and Schnure received over $290,000 in retainer fees from approximately 90 investors between January 2002 and March 2004.

33. In 2004, Skamp and Schnure returned the retainers to over 40 investors.

34. From late 2004 to July 2005, an investigator with the Division contacted numerous investors throughout the country. None of the investors contacted by the investigator had received loans after paying the retainer fee to Skamp and Schnure.

F. Failure to Refund Retainer

35. In March 2005, at least one of these investors, a Massachusetts resident ("MA") had requested a refund of the retainer fees paid to Schnure and as of July 28, 2005, MA had not received a return of the retainer fee.

36. Bank records indicated that Schnure owes over $100,000 in retainer fees to loan applicants who have not received loans.

37. On June 1, 2005, the Securities Division sent a letter of inquiry to counsel for Schnure again requesting names addresses and telephone numbers of investors and the names of investors who had received loans.

38. On June 30, 2005, counsel for Schnure sent a letter to the Division that stated, in part, that "While we are of the opinion that fee loans are not within the jurisdiction of the Securities Division and hopes [sic] to avoid further litigation or problems, Mr. Schnure is agreeable to voluntarily enter into an agreement while not admitting liability that he will no longer advance fee loans [sic]." This letter did not contain the names of any applicant that had received a loan as requested by the June 1, 2005 letter from the Division.

39. To date the Division has received no further communication from Respondents.

40. This Order is in the public interest.

II. STATUTORY PROVISIONS

1. §409.6-601(a), RSMo Supp. 2004, reads in part as follows: "This act shall be administered by the commissioner of securities who shall be appointed by and under the direction of the secretary of state . . . ."

2. §409.1-102(26), RSMo Supp. 2004, defines "offer to sell" as "every attempt or offer to dispose of, or solicitation of an offer to purchase, a security or interest in a security for value."

3. §409.1-102(28), RSMo Supp. 2004, defines a "security" to include an "evidence of indebtedness" and an "investment contract".

4. §409.3-301, RSMo Supp. 2004, reads as follows:

> It is unlawful for a person to offer or sell a security in this state unless:
> 1. The security is a federal covered security;
> 2. The security, transaction, or offer is exempted from registration under sections 409.2-201 to 409.2-203; or
> 3. The security is registered under this act.

5. §409.4-401(a), RSMo Supp. 2004, provides that it is unlawful for any person to transact business in this state as a broker-dealer unless the person is registered under the act or exempt from registration, as set forth at §409.4-401(b).

6. §409.4-402(a), RSMo Supp. 2004, provides that it is unlawful for any person to transact business in this state as a agent unless the person is registered under the act or exempt from registration, as set forth at §409.4-402(b).

7. §409.5-501, RSMo Supp. 2004, reads as follows:

> It is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly:
> 1. To employ a device, scheme, or artifice to defraud;
> 2. To make an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statement made, in the light of the circumstances under which it is made, not misleading; or
> 3. To engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

8. §409.5-503(a), RSMo. Supp. 2004, reads as follows: "In a[n] . . . administrative proceeding under this act, a person claiming an exemption, exception, preemption, or exclusion has the burden to prove the applicability of the claim."

9. §409.6-604(a), RSMo Supp. 2004, reads as follows:

> If the commissioner determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of this act or a rule adopted or order issued under this act . . . the commissioner may:
>
> (1) Issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with this act . . . .

10. §409.6-604(b), RSMo Supp. 2004, reads as follows:

> An order under subsection (a) is effective on the date of issuance. . . . If a person subject to the order does not request a hearing and none is ordered by the commissioner within thirty days after the date of service of the order, the order becomes final as to that person by operation of law.

11. §409.6-604(c), RSMo Supp. 2004, reads in part as follows: "The final order may make final, vacate, or modify the order issued unless under subsection (a)."

12. §409.6-604(d), RSMo Supp. 2004, reads as follows: "In a final order under subsection (c), the commissioner may impose a civil penalty up to one thousand dollars for a single violation or up to ten thousand dollars for more than one violation."

13. §409.6-604(e), RSMo Supp. 2004, reads as follows: "In a final order, the

commissioner may charge the actual cost of an investigation or proceeding for a violation of this act . . .. These funds may be paid into the investor education and protection fund."

III. CONLUSIONS OF LAW

Advance Fee LoanProgram

Count I: Offering and Selling Unregistered, Nonexempt Securities

1. Respondents Skamp and Schnure violated § 409.3-301, RSMo Supp. 2004, when they offered a security from Missouri without the security being (1) a federal covered security, (2) exempt from registration under §§ 409.2-201 or 409.2-202, or (3) registered under the Missouri Securities Act when they offered to obtain a loan for MR's business in exchange for a fee as described in the above findings of fact.

Count II: Making an Untrue Statement of Material Fact in Connection with the Offer or Sale of a Security

2. Respondents Skamp and Schnure violated § 409.5-501(2), RSMo Supp. 2004, when, in connection with the offer and or sale of a security Respondents made an untrue statement of material fact when they stated to MA that MA would receive a return of MA's retainer fee upon request, when, this was not true.

Count III: Omitting to State Material Facts in Connection with the Offer or Sale of a Security

3. Respondents Skamp and Schnure violated § 409.5-501(2), RSMo Supp. 2004, when, in connection with the offer and or sale of a security:

    a. The Advance Fee Respondents stated for a retainer fee, NR could apply for a business loan and that NR would have "no problem" getting the loan but omitting to state the material fact that many of the applicants who paid the retainer fee had not received loans through these Respondents;

    b. The Advance Fee Respondents omitted to state that they were not registered to sell securities in the State of Missouri;

    c. The Advance Fee Respondents omitted to state that the securities offered and sold by these Respondents were not registered in the State of Missouri;

    d. The Advance Fee Respondents omitted to state the following material information about the offering to MR and NR:

        i. The financial condition of the issuer;

        ii. Specific information about how the proposed loan funds were to be generated;

        iii. The names, addresses, and contact information for the "Consortium of

over (300) [sic] international lending and collateral sources…";

iv. Background information on the directors, officers or other persons having similar status or performing similar functions, including but not limited to, their:

1. Names;

2. Principal occupation for the previous five years;

3. Ownership or interest held by each person;

4. Remuneration paid to such persons during the previous twelve months and estimated to be paid during the next twelve months, directly or indirectly;

5. The risks involved with the investment; and/or

6. The issuer's background and/or history, including but not limited to, any regulatory action issued against the issuer or its officers, directors or principals.

Count IV: Transacting Business as an Unregistered Agent

4. Respondent Schnure violated § 409.402(a), RSMo Supp. 2004, when he transacted business in the state of Missouri while he was not registered as a securities agent as described above.

High-Yield Investment Program

Count V: Offering and Selling Unregistered, Nonexempt Securities

5. The High-Yield Respondents violated § 409.3-301, RSMo Supp. 2004, when they offered a security in Missouri without the security being (1) a federal covered security, (2) exempt from registration under §§ 409.2-201 or 409.2-202, or (3) registered under the Missouri Securities Act when they offered to MR a high-yield investment program as described in the above findings of fact.

Count VI: Transacting Business as an Unregistered Agent

6. Respondent Brown violated § 409.402(a), RSMo Supp. 2004, when he transacted business in the state of Missouri while he was not registered as a securities agent as described above.

Count VII: Making an Untrue Statement of Material Fact in Connection with the Offer or Sale of a Security

7. The High-Yield Respondents violated § 409.5-501(2), RSMo Supp. 2004, when, in connection with the offer and or sale of a security these Respondents made an untrue statement of material fact when they stated to MR that there were no risks with an

investment in the high-yield investment; when, this was not true.

Count VIII: Omitting to State a Material Fact in Connection with the Offer of a Security

8. The High-Yield Respondents violated § 409.5-501(2), RSMo Supp. 2004, when, in connection with the offer and or sale of a security these Respondents omitted to state the following material facts:

    a. That these Respondents were not registered to sell securities in the State of Missouri;

    b. That the securities offered and sold by these Respondents were not registered in the State of Missouri;

    c. The name, address and background of the bank facilitating the transaction;

    d. The name, address and background of the "Trading Group";

    e. How the "Trading Group" would generate profits of 90% per week; and/or

    f. The names, addresses and telephone numbers of other investors who had received profits of 90% per week.

ORDER

ADVANCE FEE LOAN RESPONDENTS

NOW, THEREFORE, IT IS HEREBY ORDERED that the Advance Fee Respondents and their agents, employees and servants with knowledge of this order are immediately prohibited from:

A. Offering or selling advance fee loans, evidences of indebtedness and investment contracts;

B. Violating or materially aiding in the violation of §409.5-501, RSMo Supp. 2004, by making any of the untrue statements of material fact in connection with the offer and sale of this security as stated above;

C. Violating or materially aiding in the violation of §409.5-501, RSMo Supp. 2004, by omitting to state a material fact in connection with the offer and sale of this security as stated above;

D. Violating or materially aiding in the violation of §409.4-402(a), RSMo Supp. 2004, by transacting business as an agent without an effective registration;

E. Violating or materially aiding in the violation of §409.3-301, RSMo Supp. 2004, by offering or selling any security that is not registered, unless the security is a federal covered security or has an effective exemption from registration.

IT IS FURTHER ORDERED that the Enforcement Section has petitioned for civil

penalties, and specifically, the award of $10,000, jointly and severally, against the Advance Fee Loan Respondents in this proceeding. The commissioner will issue a final order awarding this penalty, unless the Advance Fee Respondents request a hearing and show cause why the penalty should not be imposed.

IT IS FURTHER ORDERED that the Enforcement Section has petitioned for an award for costs of the investigation, jointly and severally, against the Advance Fee Loan Respondents in this proceeding. The commissioner will issue a final order awarding an amount to be determined after review of evidence submitted by the Enforcement Section, unless the Advance Fee Loan Respondents request a hearing and show cause why an award should not be made to the Enforcement Section.

HIGH-YIELD RESPONDENTS

IT IS FURTHER ORDERED that the High-Yield Respondents and their agents, employees and servants with knowledge of this order are immediately prohibited from:

A. Offering or selling High-Yield investments or other investment contracts;

B. Violating or materially aiding in the violation of §409.5-501, RSMo Supp. 2004, by omitting to state material fact in connection with the offer and sale of this security as stated above;

C. Violating or materially aiding in the violation of §409.4-402(a), RSMo Supp. 2004, by transacting business as an agent without an effective registration;

D. Violating or materially aiding in the violation of §409.3-301, RSMo Supp. 2004, by offering or selling any security that is not registered, unless the security is a federal covered security or has an effective exemption from registration.

IT IS FURTHER ORDERED that the Enforcement Section has petitioned for civil penalties, and specifically, the award of $10,000, jointly and severally, against the High-Yield Respondents in this proceeding. The commissioner will issue a final order awarding this penalty, unless the High-Yield Respondents request a hearing and show cause why the penalty should not be imposed.

IT IS FURTHER ORDERED that the Enforcement Section has petitioned for an award for costs of the investigation, jointly and severally, against the High-Yield Respondents in this proceeding. The commissioner will issue a final order awarding an amount to be determined after review of evidence submitted by the Enforcement Section, unless the High-Yield Respondents request a hearing and show cause why an award should not be made to the Enforcement Section.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 17TH DAY OF AUGUST, 2005.

ROBIN CARNAHAN
SECRETARY OF STATE

State of Missouri

Office of Secretary of State

(Signed/Sealed)
DAVID B. COSGROVE
COMMISSIONER OF SECURITIES

Case No. AP-05-22

IN THE MATTER OF:

SKAMP INVESTMENTS LLC;
DONALD SCHNURE;
BROWN ASSOCIATES INTERNATIONAL;
INTERNATIONAL FINANCIAL AND
INVESTMENT ADVISORS; and
TED BROWN a/k/a T. R. BROWN,

Respondents.

NOTICE

TO: Respondents and any unnamed representatives aggrieved by this Order:

You may request a hearing in this matter. Any request for a hearing should be sent, in writing to David B. Cosgrove, Commissioner of Securities, Office of the Secretary of State, Missouri State Information Center, Room 229, 600 West Main Street, Jefferson City, Missouri, 65102, within thirty (30) days of the receipt of this Order. §409.412(a), RSMo Supp. 2004 and MO 15 CSR 30-55.020.

CERTIFICATE OF SERVICE

I hereby certify that on this 17th day of August, 2005, a copy of the foregoing notice, order and petition was mailed by certified U.S. Mail, postage prepaid, to the Respondents in this matter.

Diann L. Wingrath
Administrative Aide